

ORDINANCE NO. 579

AN ORDINANCE AMENDING SECTIONS 8, 9, 12, 13, 14, 15 AND 20 AND REPEALING SECTION 21 OF ORDINANCE NO. 416 ENTITLED "AN ORDINANCE CREATING A RETIREMENT SYSTEM FOR CITY EMPLOYEES, ESTABLISHING A PENSION FUND THEREFOR AND CREATING A PENSION FUND."

WHEREAS, the City of Lodi has had in effect Ordinance No. 416 providing a pension system for employees of the City of Lodi, and

WHEREAS, at the time of the enactment of said Ordinance the employees of the City of Lodi were not eligible for coverage under the Federal Old Age and Survivors' Insurance Program, and

WHEREAS, said Ordinance No. 416 was so drafted as to provide for amendments thereto at the time that the employees of the City of Lodi were covered by said Social Security program, and

WHEREAS, on July 1, 1956 the employees of the City qualified and became eligible for coverage under said Federal program and it is the desire of the City Council of the City of Lodi to amend Ordinance No. 416 in certain particulars in order to supplement and integrate the local and federal pension and retirement plans for the benefit, of the employees of the City of Lodi,

NOW THEREFORE, the City Council of the City of Lodi does ordain as follows:

Section 1. Section 8 of Ordinance No. 416 is hereby amended to read in full as follows:

Section 8.1 Computation of Pension, Every member of the Retirement System shall upon retirement be entitled to a monthly pension computed by dividing the total amount accumulated at retirement from the contributions of said member and matching contributions by the City, plus separation distributions as defined in Section 8.3 hereof, together with interest on such contributions and separation distributions, by the number of

whole months of remaining life expectancy established for said member by a recognized Table of Mortalities, as recommended from time to time by the Pension Board and approved by the City Council. In addition, every member, except members otherwise covered under Sections 11 and 13 hereof, shall be entitled to a monthly pension equal to three-quarters of one percent ($3/4\%$) of the salary paid for the month of June, 1950, for each calendar year of service rendered prior to the first day of July, 1950, which said additional pension shall be paid wholly from City funds.

Section 8.2 Optional Computation of Pension. Notwithstanding the provisions of Section 8.1 hereof, any member of the Retirement System retiring prior to January 1, 1961, may elect to receive a monthly pension based upon length of service and average monthly salary obtaining in the five (5) years next preceding December 31, 1956. Such pension shall be equal to one and two-tenths percent (1.2%) of the average monthly salary paid during such period for each calendar year of service subsequent to the first day of July, 1950. In addition, each such member shall be paid under this option a further pension for service rendered prior to the first day of July, 1950, computed in the same manner and subject to the same limitations as the additional pension provided for in Section 8.1 hereof.

Section 8.3 Separation Distributions. All money accumulated in the Pension fund to and including December 31, 1956, by reason of retention of matching contributions made by the City in behalf of members terminating service prior to retirement, as contemplated in Section 14 hereof, together with accumulated interest, thereon, shall be distributed to the accounts of each member remaining in service as of December 31, 1956, said distribution to be made by dividing the total of

said accumulations by the total number of years of current service rendered by said remaining members, each said member to be credited with the amount derived thereby multiplied by the number of years of current service performed by him prior to December 31, 1956. The amount of money similarly accruing to the Pension Fund for each calendar year thereafter shall be distributed in such amounts as may be recommended by the Pension Board and approved by the City Council, the annual credit to each remaining member to be determined by dividing said approved amount by the number of remaining members. Excess matching contributions for Police and Fire personnel covered by Section 9.2 hereof shall be considered in establishing annual credits for the remaining Police and Fire members only. All separation distributions shall be considered as a part of the matching contributions made by the City, and shall not be refunded upon termination of membership in the Retirement System, except as provided in Section 15.

~~Section 2.~~ Section 9 of Ordinance No. 416 is hereby amended to read in full- as follows:

Section 9.1 Rates of Contribution. Each member of the system shall pay as a percentage of his gross monthly salary, exclusive of overtime, the following percentage according to attained age:

<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>
18	3.65	42	4.85
19	3.70	43	4.90
20	3.75	44	4.95
21	3.80	45	5.00
22	3.85	46	5.05
23	3.90	47	5.10
24	3.95	48	5.15
25	4.00	49	5.20

<u>Age</u>	<u>Percentage</u>	<u>Age</u>	<u>Percentage</u>
26	L.05	50	5.25
27	4.10	51	5.30
28	4.15	52	5.35,
29	4.20	53	5.40
30	4.35	54	5.45
31	4.30	55	5.50
32	4.35	56	5.55
33	4.40	57	5.60
34	4.45	58	5.65
35	4.50	59	5.70
36	4.55	60	5.75
37	4.60	61	5.80
38	4.65	62	5.85
39	L.70	63	5.90
40	4.75	64	5.95
41	4.80	65	6.00

Said contribution shall be deducted from the gross salary, exclusive of overtime, of each member prior to the disbursement of salaries and wages to the several members, and shall be paid immediately into the Pension Fund. Records will be so maintained for each member that the total amount of member contributions, the total amount of City contributions and any separation distributions may be determined at any time. Interest earned shall be similarly recorded.

Section 9.2 Rates of Contribution - Police and Fire.

Rates of contribution for employees of the Police and Fire Departments not eligible for coverage in the Federal Old Age and Survivor's Insurance program shall be as prescribed in Section 9.1 hereof, plus two and one-quarter percent ($2\frac{1}{4}\%$) of the first forty-two hundred dollars (\$4200.00) of gross annual salary, exclusive of overtime. The matching requirements

set forth in Section 10 hereof shall be met with respect to the total contributions made by such Police and Fire members.

Section 3. The first paragraph of Section 12 is hereby amended to read in full as follows:

Section 12. Retirement at Age 65. The age of sixty-five (65) years shall be the normal retirement age. Members who shall not have attained the age of sixty (60) years prior to the first day of July, 1950, shall retire on the first day of the month next succeeding the month in which they attain the age of sixty-five (65), unless the earlier retirement age provided for in Sections 13.1 and 13.2 hereof is elected.

Section 4. Section 13 of Ordinance No. 416 is hereby amended to read in full as follows:

Section 13.1 Retirement Age - Optional. Any member may at his option retire at any age after attainment of age fifty-five (55). In each such case, prior service and current service benefits shall be computed on the basis of remaining life expectancy as established by the Table of Mortalities provided for in Section 8.1 hereof.

Section 13.2 Alternative Pension - Optional Retirement Age. Notwithstanding the provisions of Section 13.1 hereof, any member of the Retirement System electing to retire prior to the attainment of the normal retirement age and before January 1, 1961, may elect to receive a pension computed as provided in Section 8.2 hereof and reduced in accordance with the following Table :

<u>Age at Retirement</u>	<u>Reduce To:</u>
55	54%
56	56%
57	59%
58	62%

<u>Age at Retirement</u>	<u>Reduce To:</u>
59	65%
60	69%
61	74%
62	80%
63	86%
64	93%

Section 5. Section 14 of Ordinance No. 416 is hereby amended to read in full as follows:

Section 14. Refund of Member Contributions. Each member who dies resigned, is discharged or otherwise terminates his membership in the retirement system prior to retirement, shall have refunded to him the total amount of money contributed by him to the system, plus such interest as shall have been credited to his account to and including the date of death, resignation, discharge or other termination.

Section 6. Section 15 of Ordinance No. 416 is hereby amended to read in full as follows:

Section 15. Death Benefit. Upon the death of any retired member, there shall be paid to his designated beneficiary in one lump sum the accumulated contributions of said member plus one-half the accumulated separation distributions of said member, together with interest thereon up to and including the date of his death, less one-half ($\frac{1}{2}$) the accumulated total of such current service pension payments which may have been made to said member.

Section 7. Section 20 of Ordinance No. 416 is hereby amended to read in full as follows:

Section 20. Amendment--Limitations, This ordinance may be amended from time to time, except that changes affecting the principle of matching contributions by the City for current

service, or the normal optional or compulsory age of retirement, shall not be adopted except by a four-fifths (4/5) vote of the City Council after an election by system members on such proposal or proposals.

~~Section 8.~~ Section 21 of Ordinance No. 416 is hereby amended to read in full, as follows:

Section 21. Effect of Social Security for Police and Fire Department Employees. It is expressly understood that the additional contribution of two and one-quarter percent (2 $\frac{1}{4}$ %) for employees of the Police and Fire Departments provided for in Section 9.2 hereof is being established solely for the reason that the members of said departments are not presently entitled to coverage under the Federal Old Age and Survivors Insurance program. In the event that Social Security does become available and the members of said departments elect to accept this coverage, then and in that event, upon the effective date of the Social Security coverage the provisions of Section 9.2 hereof shall thereafter become inoperative. If retroactive coverage is available to and elected by the employees of said Police and Fire Departments, then and in that event the City of Lodi may use the two and one-quarter percent (2 $\frac{1}{4}$ %) contribution made by the City to the pension fund to pay the City's share of retroactive payments, and likewise the City of Lodi is hereby authorized to use the employees' accumulated two and one-quarter (2 $\frac{1}{4}$ %) percent contributions to pay the employees' share of any of the amount due in order to have retroactive benefits become effective, provided that a majority of the members of the Police and Fire Departments elect in writing to authorize such payment, from their contributions theretofore made. Pensions payable under the Retirement System shall be reduced in an amount commensurate with any such payments so authorized and made.

Section 2. Effective Date. This ordinance shall be in full force and effect on and after the first day of January, 1957.

Approved this 2nd day of January, 1957.

Boyd B. Mitchell
BOYD B. MITCHELL, Mayor

Attest:

Henry A. Glaves, Jr.
HENRY A. GLAVES, JR., City Clerk

I, HENRY A. GLAVES, JR., City Clerk of the City of Lodi do hereby certify that the foregoing Ordinance No. 579 was regularly introduced in the City Council of said City at a regular meeting thereof held on December 19, 1956, and was thereafter at a subsequent **regular** meeting, passed, adopted and ordered to print on January 2, 1957, by the following vote:

AYES: Councilmen - Puller, Hughes, Katzakian, Robinson and Mitchell

NOES: Councilmen - None

ABSENT: Councilmen - None

I further certify that said ordinance was approved and signed by the Mayor on the date of its final passage and was published according to law.

Henry A. Glaves, Jr.
HENRY A. GLAVES, JR.
City Clerk

Dated: January 8, 1957